



DANVERS AFFORDABLE HOUSING TRUST

TOWN HALL, DANVERS, MASSACHUSETTS 01923

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Minutes March 25, 2015

Danvers Affordable Housing Trust: Gardner Trask, Don Gates, John Alden, Carla King and Stacey Bernson

Staff: Susan Fletcher and Francine Butler

Also Attending: Robert McHugh, NSCAP Chief Operations Officer

Minutes of February 18, 2015

A motion was made, seconded and unanimously voted to approve the minutes of February 18, 2015.

Potential Partnering with NSCAP – Robert McHugh, NSCAP Chief Operations Officer

Robert McHugh, the Chief Operations Officer for North Shore Community Action Programs (NSCAP), was introduced by Gardner Trask. The Board members introduced themselves.

Trask gave McHugh a brief history of the Trust. He told McHugh that the Department of Housing and Community Development had approved their Housing Production Plan. The Trust is looking to see what the next efforts of the Trust should be. The Housing Production Plan offered some tools and directions such as partnering with organizations and developers. The Trust thought it might be a good opportunity to talk to NSCAP.

McHugh said that they had a Housing Assistance Program that helped people maintain their tenancy in an apartment which was very successful. However, under the Patrick administration, the state took a different direction toward supported shelter programs. We now lease apartments and put families in them. The Housing Assistance Program (HAP) would keep people from losing their housing. Governor Baker is talking prevention, which is a more efficient and less costly way to house people. McHugh said that subsidies in the amount of \$500 to \$1,000 could keep people in their apartments for eight to ten months. Many people need a small subsidy every month. One hundred dollars could make or break some people. Things such as fuel assistance, advocacy programs and contacts within the community all get bundled together. McHugh said that NSCAP finds it is easier to try to fix a problem than try to develop low income housing, which is expensive and not welcomed in some communities. With the Housing Assistance Program, people were kept within the community. Some people were skating on the edge, and we helped them stay away from that edge. People can stay in their units a long time. NSCAP

encourages people to increase their income to maintain themselves more independently. People are encouraged not to be on this for life.

NSCAP has not done a lot of developing. The advocacy part of NSCAP tries to keep people in their apartments. We try to stop evictions by helping what is causing the eviction. McHugh said that fuel assistance is a major factor in assisting people to stay in their homes. A lot of times people have to make a decision to pay fuel or pay the rent.

Trask asked how they assist the people in the motels now that the Housing Assistance Program ended. McHugh said that the state funds two NSCAP staff members who help people move to a more independent living situation. McHugh said that there is more crisis aversion that happens at the motels. McHugh said that motels were not meant for long term residency. Fletcher told the Board that NSCAP provides services for the Econo Lodge on Endicott Street.

Trask asked McHugh where the funding came from and whether NSCAP was a state program. McHugh said that this was part of Lyndon Johnson's War on Poverty Program. There are federal funds with some state funds as well as grants from various foundations and fundraising.

Trask asked who directs the programs, and McHugh responded the state does (DHCD). NSCAP answers to the state.

Gates asked how long they have been housing people in motels. McHugh said there was a period in the 90's that there was no one in motels, but about five years ago, that changed. It is impossible to keep the residency down. Massachusetts is a "right to shelter" state which means you can come from another state and be housed overnight. People were driving overnight from other states, and NSCAP is receiving calls from four to five people a day.

Trask said that Ted Speliotis and Joan Lovely are advocating for a six-month residency requirement prior to receiving any benefits.

Gates asked if we were the only state to have the "right to shelter". McHugh confirmed this. He stated that there was a family that flew in from the Dominican Republic, and refused to leave the DHCD office, and they were housed that night. McHugh said that they were trying to make a better life for their kids. He said that sometimes people are placed in substandard housing. Gates asked for an example and McHugh said that one family of three were placed in a rooming house in Lynn that McHugh said he would not have stayed there. McHugh also stated that there were limited housing options and having people living on the streets is not acceptable.

Trask asked McHugh how NSCAP interacts with other community programs. He asked how the Trust could work with NSCAP. McHugh said that they are open for any opportunities. McHugh said that the reach of NSCAP is pretty big. Trask asked if other housing trust programs supported them in any way.

McHugh said that they have received funds from Housing Opportunities for Persons with AIDS (HOPWA) for people.

Trask asked Bernson where the City of Peabody gets their funding, and she responded through Community Development funds. It was pointed out that HUD Community Development funds are targeted to those communities with a higher demographic of low income residents. Danvers does not qualify to receive these funds.

McHugh said that Salem, Hamilton/Wenham, Marblehead, Beverly and Danvers have helped NSCAP primarily through fuel assistance and assistance with other utility bills.

McHugh said that they try to piece together things with an alliance of community groups. He said that Catholic Charities is a great source. Gates asked what Catholic Charities does, and McHugh responded that they sometimes help with funding. He said that they get a little from here and there. Funding is the most important thing across the board. He also pointed out that funding has been cut on the state and federal level.

Fletcher asked McHugh if there were times when you had staff working and did not have a contract. McHugh said they never felt that they were not going to be funded; however, he said it is not pleasant when funding is cut and you need to lay someone off.

Trask asked if there was other non-monetary support. Fletcher said Danvers Electric helps. King said that people can go to the Senior Center to ask for money that comes from Community Council.

McHugh said that first and last month's rent is great if you are trying to get people into an apartment. To prevent them from losing the apartment is a different story. He said that in this area, rent of \$1,000 is not going to get you a lot in an apartment. If the rent is \$1,200, that contribution of \$200.00 can make the difference.

Trask asked McHugh which tended to yield more productive results, first and last month's rent or sustainability. McHugh responded that both are good. If we have a scattered site and are preparing people to live independently, first and last month's rent can be crippling. If people need help to get into an apartment that they can sustain, that is great. Keeping people in an apartment is a good thing. Alden felt both had good results.

McHugh said there is a risk of people taking the money and running, but most people invest in maintaining. McHugh said the key is the right support and employment.

Alden felt that people needed a support system. McHugh said that some people do not understand the concept of budgeting and that NSCAP does provide classes on money management.

Fletcher said that the advantage if funding is provided is that there is already an organization that knows how to administer, follow-up and offer training.

McHugh said that a lot of NSCAP's clients are not aware of the tax income credit that they are entitled to. NSCAP does provide assistance with tax filing.

Trask asked if NSCAP were to be given an amount of money will it help people at the motels, or does the population turn around often. McHugh said that the Trust's help would be sustaining the people in the motels. The key is to get them out of the motels.

Trask asked McHugh if there was a program or effort that can't be done now due to lack of funds. McHugh said that they are constrained with what they can do at the motels. We help people try to move out, and keep people calm. The funding would be used to keep people motivated and stay calm.

Fletcher pointed out that money given by the Trust had to be geared towards housing.

Bernson asked McHugh if the Trust was able to provide funds for rental assistance, does NSCAP have the capacity to run them. McHugh answered yes.

Alden asked if there was a list or if there was the ability to find out where rental assistance could help people in Danvers. He asked if they had people on the list in Danvers. McHugh said that he did not know, but he would check. He said that Danvers is not the highest need community around.

Trask asked if there was a caseload that lives in Danvers who would benefit from a rental assistance program. McHugh said that they deal with a lot of people with families. There are a lot of single people living in weird situations.

Alden said that people could be directed to NSCAP, and Fletcher said she presently does that. She refers to NSCAP and Community Council, which is usually a one-time thing.

McHugh said there are a variety of things that pop up. He told the Board about a group of people in West Peabody who pooled money and would call NSCAP when they had funds to donate. The funds are bundled and have kept people from losing their housing.

Trask asked if NSCAP can demonstrate what their funds were used for, and Fletcher said that NSCAP can provide a report. Gates confirmed that they could provide an accounting. Fletcher said that they would be earmarked funds, and a report would be given where they used the money.

Bernson said that HOME funds can be used for tenant-based rental assistance programs. Fletcher pointed out that HOME funds were used for the Cherry Street and Conifer Commons projects. Trask asked the amount of HOME funds received annually by the Town, and Fletcher responded it was \$30,000, which was down from \$80,000.

Alden asked the amount the Town gave for housing assistance, and Fletcher responded \$10,000. She said eventually those funds come back to the Town.

Alden felt they could allocate \$10,000 to NSCAP to be put towards rental assistance to see how they do for a year. Trask said it could be for Danvers residents. Alden said if the money comes out of the Trust, we can control that the money be used in Danvers. He liked the idea that

NSCAP is a great vehicle and controller. He felt they can help a lot of people who may need assistance with rent. This would help people stay in the units that they are in.

Fletcher said that they can allocate funds from the Trust and be as specific as they want to be. NSCAP can decide how much an individual needs. The Trust can call out the program they want to assist.

Alden felt it really helped the affordable situation since their funding is for anyone that needs rental help.

Trask asked if there should be any action tonight. Alden said he is open minded, but he would like to hear from other groups and not to set a precedent

Trask said that the utility funds sparked his interest. He thought that maybe they could pool electric support where the Trust pays the Town in some manner. Fletcher pointed out that this was not a direct tie to housing. Alden felt that Community Council does better at one-time hits such as large electric bills. Fletcher suggested inviting someone from Community Council to speak to the Board.

Trask said that he would like Bartha to come to the next meeting to see if they could waive fees to entice a builder. Alden felt this would be a good idea. Trask felt they could provide options to a developer. Bernson questions the WUMP fees.

Trask asked about the mobile homes for sale. Fletcher said she spoke with the manager of three of the trailer parks. They had a couple of lots, but their model is that they would buy the trailer, sell it, and charge rent for the land. One of the parks had three vacant lots, and she provided that information to Don Preston.

Trask asked the Board for their thoughts on the Trust purchasing two or three mobile homes and asking NSCAP or someone to manage them to use as a transition. Fletcher said that the manager with the three vacant lots did not have any plan to activate them.

Alden said that the Trust cannot construct anything as a government agency because of the cost of the prevailing wages. An example is what was spent on Cherry Street. He pointed out that the Town owns several pieces of property from tax takings. He asked how they could get these costs down so that a builder or owner could create real affordable housing. One way would be to soften the costs so low to put the units out to rent for \$800 per month. If the Trust owned the land and an entity was found to construct the building for nothing, we could construct a two-family unit. The Trust could have the land, and Essex Technical High School could buy the materials along with a management fee of 30%. You could build something cheaply. He felt we need to find a way to get there.

Fletcher pointed out that this is what Habitat does. If you give them free land, they get it built.

A discussion ensued about Habitat for Humanity and Essex Technical School.

Gates pointed out that the difference with Habitat for Humanity is that you are not paying the 30% management fee. Alden felt it was good to look at different avenues. Trask felt they were looking for an opportunity to give Essex Aggie a project. Fletcher said if the Aggie was building the project, the Trust would be doing the qualifying. Trask suggested that the Trust could use the Danvers Housing Authority.

A discussion ensued about the Trust building and selling a two-family home where the owner would rent the second unit at an affordable rate.

Trask liked the idea of a homeowner that has a second unit rental. Alden felt an owner-occupied two-family would be easier to sell to other Boards.

Bernson liked the idea of the Aggie and would like to see them in the community.

Alden thought the Trust could build similar to a building that was renovated in Salem. Fletcher asked how much the Trust would spend. Alden pointed out that \$80,000 was spent on the project at 55 Coolidge Road.

Gates asked why we would not do this with Habitat. He felt they could talk to Preston about Essex Aggie building the home.

Alden felt they were looking for other avenues, and if they could create an affordable unit under \$1,000 per month, it would be beneficial.

A discussion ensued as to how much it would cost to build a two-family home.

Alden felt it would be a great opportunity to get a young couple into Danvers that can't afford to buy a home. We could control Danvers residents only.

Fletcher said that we could use the same criteria that DHAT used.

Bernson said that to add inventory with the DHCD you can give local preference, but you cannot say Danvers residents only.

The Board said that they would reach out to people to find answers to these questions.

Housing Production Plan: Next Steps (CPA, town owned lots, etc.)

Trask said that the Trust had discussed sending a letter to start a rally for support of the Community Preservation Act (CPA). He said that they do not need to take any action at this point since it will be taken up by the Selectmen after Town Meeting.

Updates: 56-58 River Street, 78 Holten Street, 55 Coolidge

Fletcher said that all projects are moving along. She said that the project at 78 Holten Street did get an applicant that qualified.

Trask asked Fletcher to provide Bartha with a bullet list of projects the Trust has been involved in.

Trask would like confirmation that when the auditors came to the Town, they include an audit of the Trust's funds.

Alden asked why Butler's salary did not show being paid by the Trust. Fletcher said that they have questioned this as well.

Financial Report.

There were no questions. A motion was made, seconded and unanimously voted to approve the financials.

A motion was made, seconded and unanimously voted to adjourn the meeting.

The meeting adjourned at 8:55 p.m.

Tish Lentine
Clerk